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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/559,725	04/28/2000	Michael A. Costonis	07752.0023-00000	4297

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BRINKS HOFER GILSON & LIONE  
P O BOX 10395  
CHICAGO, IL 60610

EXAMINER

FRENEL, VANEL

ART UNIT	PAPER NUMBER
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3626

DATE MAILED: 05/15/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/559,725

Applicant(s)

COSTONIS ET AL. *ES*

Examiner

Vanel Frenel

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 01 January 0108.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-108 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-108 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.  
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some \* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).  
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

## Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_ 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### **Notice to Applicant**

1. This communication is in response to the amendment filed 3/4/03. Claims 1, 28, 55 and 82 are amended. Claims 1-108 are pending.

2. Applicant's has amended claims 1, 28, 55 and 82 to overcome the 35 U.S.C. 101 rejection (See paper number 10). Therefore, the 35 U.S.C. 101 rejection is hereby withdrawn.

### **Claim Rejections - 35 USC § 103**

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1-3, 5-23, 27-30, 32-50, 54-57, 59-77, 81-84, 86-104, and 108 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hammond et al. (5,712,984) in view of Moore et al. (5,930,759), and further in view of Little et al. (5,359,509).

(A) As per claim 1, Hammond teaches a method for claims data analysis (Hammond, Figure 4; col. 7, lines 11-20), comprising the steps of a) receiving information associated with a plurality of claims, (Hammond; col. 4, lines 13 -14);

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b) However, Hammond does not expressly teach the step of providing responses into a data processing system in response to a set of queries associated with the information. Moore teaches providing responses to a set of queries associated with claim information (Moore; col. 9, lines 24-67). It would have been obvious to one of ordinary skill in the art at the time of the invention to add the step of providing responses to queries of Moore to the claims analysis method of Hammond with the motivation suggested by Moore of reducing delays in claims processing by correcting information or adding missing information (Moore; col. 2, lines 52-57),

c) determining a loss economic opportunity associated with the processing the plurality of claims (Hammond; col. 6, lines 17-23 and lines 39-43). However, Hammond does not expressly disclose the loss determination based on the responses. Moore teaches responses to queries including fees (Moore; col. 12, lines 22-25). It would have been obvious to one of ordinary skill in the art at the time of the invention to include the responses to the queries of Moore into the step of determining the loss economic opportunity of Hammond with the motivation suggested by Hammond of ensuring an optimal data set by reducing the number of errors in the data (Hammond; col. 6, lines 2-5) to ensure the data set for claims analysis is as optimal as it can be-, and

d) identifying characteristics that have the greatest effect on claim cost (Hammond; col. 8, lines 60-65). However, Hammond does not expressly disclose the characteristic being a best practice of claim analysis and associating at least one practice from a predetermined set of best practices with the responses. However, Little teaches the step of using a plurality of reviews methods (i.e., best practices) created per claim characteristic and used to analyze claims to determine how best to minimize claim cost and thus which review or best practice works best for

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a particular claim type (Little; col. 17, lines 21-33). It would have been obvious to one of ordinary skill in the art at the time of the invention to add one practice from predetermined set of best practices of Little within the system of Hammond with the motivation of providing consistent payment of payment requests and help lower the costs of health care (See Little, Col.4, lines 4-43).

(B) As per claim 2, Hammond teaches the step of determining the economic impact of claim characteristics (Hammond, col. 8, lines 60-65). However, Hammond does not expressly disclose the characteristic further includes quantifying the economic effect of the characteristic in terms of a reduction of a cost associated with processing the plurality of claims. Little teaches the step of using a plurality of reviews methods (i.e., best practices) to analyze claims to determine how to minimize claim cost based on the characteristics of a claim and thus which review or best practice works best for a particular claim type (Little; col. 17, lines 21-33). It would have been obvious to one of ordinary skill in the art at the time of the invention to add the best practice review methods of Little to the method of determining effect on claim cost of Hammond with the motivation of lowering administrative costs, and minimizing fraud and unintentional errors (Little; col. 1, lines 36 and lines 39-41).

(C) As per claim 3, Hammond teaches receiving information associated with a plurality of claims (Hammond, col. 4, lines 13-14). However, Hammond does not expressly disclose the step of providing as least one query to be completed in response to the information associated with each of the plurality of claims. Moore teaches the step of providing as least one query to be

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completed in response to the information associated with each of the plurality of claims (Moore; col. 9, lines 42-61). It would have been obvious to one of ordinary skill in the art at the time of the invention to add Moore's step of providing a query to the claims analysis system of Hammond with the motivation suggested by Moore of reducing delays in claims processing by obtaining information to correct information or fill-in missing information of a claim (Moore; col. 1, lines 52-57).

(D) As per claim 5, Hammond teaches providing for a query further includes:

a) the designation of at least one characteristic of each claim in processing the plurality of claims based on listed claim details (Hammond; col. 10, lines 50-55). However, Hammond does not expressly disclose the characteristic being a best practice used in the processing of each of the claims. Little teaches the use of a review method (i.e., best practice) used in the processing of each of the claims. It would have been obvious to one of ordinary skill in the art at the time of the invention to add the best practice review methods of Little to the method of determining effect on claim cost of Hammond with the same motivation as applied to claim 1 and incorporated herein.

Further, Hammond and Little do not expressly disclose the use of a designation in the query. However, Moore teaches the use of queries that contain specific claim details (Moore-, col. 9, lines 42-61 and col. 10, line 49 to col. 11, line 7). It would have been obvious to add the designation of the best practice in the queries of Moore to the claims analysis system of Hammond and Little with the motivation suggested by Moore of reducing delays in claims processing (Moore; col. 2, lines 52-57).

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b) Hammond teaches the weighting of various characteristics applied to each claim (Hammond; col. 9, line 25 to col. 10, line 3). However, Hammond does not expressly disclose the characteristic being a best practice used in the processing of each of the claims. Little teaches the use of a review method (i.e., best practice) used in the processing of each of the claims. Further, Little teaches assigning priorities to the review methods (Little; col. 7, lines 31-37). It would have been obvious to one of ordinary skill in the art at the time of the invention to add the best practice review methods with assigned priorities of Little to the method of determining effect on claim cost of Hammond with the same motivation as applied to claim 1 and incorporated herein.

(E) As per claim 6, Hammond teaches the step of determining a loss economic opportunity further includes:

- a) determining an actual cost for processing each of the plurality of the claims (Hammond, col. 6, lines 17-25),
- b) evaluating the loss economic opportunity as a percentage of an absolute loss economic opportunity divided by the total claims cost (Hammond; col. 15, line 63-65 and col. 6, line 39 43).

(F) As per claim 7, Hammond teaches the claims analysis method wherein determining an actual cost further includes:

- a) calculating the total claims cost as the sum of the indemnity and allocated loss adjustment expense (Hammond; col. 15, lines 63-65 and col. 6, lines 39-43).

(G) As per claim 8, Hammond teaches evaluating the loss economic value further includes:

a) calculating the loss economic opportunity for the plurality of claims by averaging the loss economic opportunity for each of the plurality of claims (Hammond; col. 20, lines 2-67).

(H) As per claim 9, Hammond teaches the generation of a report indicating the efficiency of the process (Hammond, col. 19, lines 49-64 and col. 10, lines 6-23).

(I) As per claim 10, Hammond teaches providing responses to a set of queries further includes:

a) calculating a number of claims to be reviewed based on applying standard statistical sampling formulae to the plurality of claims (Hammond; col. 8, lines 12-25).

(J) As per claim 11, Hammond teaches the performance and capabilities of the reviewer having impact on loss calculation and the calculation of loss (Hammond; col. 4, lines 18-22). However, Hammond does not expressly disclose a productivity calculation. It is common to calculate productivity of workers. It would be obvious to one of ordinary skill in the art at the time of the invention to determine the productivity based on number of claims reviewed (i.e., queries responded to) with the motivation of calculating the total internal costs of processing a claim and improving the overall solvency of the insurance carrier (Hammond; col. 2, lines 9-11).



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(K) As per claims 12-13, Hammond teaches the generation of a standard report (Hammond; Figure 11, col. 19, line 50-63). Hammond does not disclose the generation of a custom report. It is common practice to create custom reports. It would be obvious to add the feature of custom reports to the standard report feature of Hammond with the motivation of helping to identify characteristics which are significant in affecting claim cost (Hammond; col. 2, lines 25-26).

(L) As per claims 14-18, Hammond teaches a claims analysis method as rejected in claim 1. However, Hammond does not expressly disclose providing a standard set of queries in an automobile, liability, accident, property, or workers compensation line of insurance. Moore teaches the queries are made up of computer routines (Moore; cot. 9, lines 50-55) and the step of providing for a standard set of queries in an automobile (i.e., property), liability, accident, or workers compensation line of insurance (Moore, cot. 13, lines 59-61, cot. 14, lines 25-26, cot. 14, lines 62-64, and cot. 10, lines 10-15). It would be obvious to one of ordinary skill in the art at the time of the invention to add the plurality of insurance line sets of queries of Moore to the claims analysis method of Hammond with the motivation of suggested by Moore of providing prompts for additional information that may be needed depending on the response to a question (Moore, cot. 13, 38-39, cot. 14, lines 54-56).

(M) As per claims 19-23, the combined teachings of Hammond, Moore, and Little as applied to claim 5 disclose a set of best practices that have statistically shown to have an effect on economic loss for workers compensation insurance (Hammond; cot. 8, lines 40-43, cot. 9, line 57

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to col. 10, line 3) and medical health insurance (Little; col. 1, line 7-8). As workers compensation and health insurance involves personal injury, accident, business property, and business liability insurance, the combined teachings of Hammond, Moore, and Little meet the limitations of these claims.

(N) As per claim 27, Hammond teaches the claims are insurance claims (Hammond; col. 7, lines 11-14).

(O) Claims 28, 55 and 82 recite the same newly added limitations as claim 1 above. Therefore, these claims have been rejected on the same rationale and incorporated herein.

(P) Claims 29-30, 32-50, and 54 recite the same limitations as claims 2-3, 5-23, and 27, respectively, and are therefore rejected for the same reasons provided for those claims and incorporated herein.

(Q) Claims 56-57, 59-77, and 81 recite the same limitations as claims 2-3, 5-23, and 27, respectively, and are therefore rejected for the same reasons provided for those claims and incorporated herein.

(R) Claims 83-84, 86-104, and 108 recite the same limitations as claims 2-3, 5-23, and 27, respectively, and are therefore rejected for the same reasons provided for those claims and incorporated herein.

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5. Claims 4, 24-26, 31, 51-53, 58, 78-80, 85, 105-107 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hammond, Moore, and Little as applied to claims 1, 28, 55, and 83 above, and further in view of Fatseas et al. (5,671,409).

(A) As per claim 4, the combined teachings of Hammond and Moore teach the claims analysis method of claim 1. However, the combined teachings of Hammond and Moore do not expressly disclose wherein providing responses further includes:

- a) the step of providing the queries in more than one language. Fatseas teaches the providing of queries in more than one language (Fatseas; col. 5, lines 13-42); and
- b) the step of allowing the user to toggle between the queries in different languages (Fatseas; col. 5, lines 13-42).

It would have been obvious to one of ordinary skill in the art at the time of the invention to add the queries in multiple languages and the toggling between the languages of Fatseas to the combined claims analysis method of Hammond and Moore with the motivation of permitting the same system to be used by persons who are functional in English and/or other languages (Fatseas; col. 3, lines 22-23).

(B) As per claim 24-26, the combined teachings of Hammond and Moore teach the claims analysis method of claim 1 and the queries are provided in English (Moore, Figure 12B). However, the combined teachings of Hammond and Moore do not expressly disclose the queries are provided in German or Dutch. Fatseas teaches the provision for queries in other languages, namely, German, Spanish, Vietnamese, Chinese, Polish or Italian (Fatseas; col. 5, lines 13-42). However, Fatseas does not expressly disclose the Dutch language. It would have been obvious

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to one of ordinary skill in the art at the time of the invention to add the other languages of Fatseas and to add the language of Dutch to the claim systems analysis method of Hammond and Moore with the same motivation as provided for claim 4 and incorporated herein.

(C) Claims 31, 58, and 85 recite the same limitations as claim 4, and are therefore, rejected for the same reasons provided for that claim and incorporated herein.

(D) Claims 51-53, 78-80, and 105-107, recite the same limitations as claims 24-26, respectively, and are therefore, rejected for the same reasons provided for those claims and incorporated herein.

### ***Response to Arguments***

6. *Applicant's* arguments filed on 3/4/03 regarding claims 1-108 have been fully considered but they are not persuasive. Applicant's arguments will be addressed hereinbelow in the order in which they appear in the response filed 3/4/03.

(A) At page 5, Applicants submit that the prior art does not provide a suggestion or motivation to combine the cited references.

In response to Applicant's argument, Examiner respectfully submits that He has at least satisfied the burden of presenting a prima facie case of obviousness since he has presented evidence of corresponding claim elements in the prior art and has expressly articulated the combinations and the motivations for combinations that fairly suggest Applicant's claimed invention. See *In re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Cir. 1992).

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(B) At page 6-7, Applicant's argues the cited references, either singly or in combination, do not relate to reviewing the claims handling process more completely in order to given an insurance company an idea of what company practices are beneficial, or whether the amount claims paid out on the claims were appropriate and Hammond does not disclose or suggest "determining loss economic opportunity". Indeed, Hammond, Moore and Little do not disclose "associating at least one practice from a predetermining set of best practices with the responses" to queries relate to claim information.

(a) In response to Applicant's arguments, Examiner respectfully suggests that Moore discloses "Upon receipt of this electronic claim form, clearinghouse patient's insurance company or other healthcare payor to determine various items of information such as eligibility, policy benefits, claim dates, a payment amount and the names of the payor and payee" which is equivalent to Applicant's claimed feature (See Moore, Col.5, lines 14-51; Col.12, lines 60-67 to Col.13, line 5). Therefore, Applicant's argument is not persuasive.

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(b) In response to Applicant's argument, Examiner respectfully suggests that Hammond discloses "an aggregate reserve is calculated as the sum of the reserves of all active claims. The aggregate reserve is used to set a loss reserve account which is used to fund future losses incurred by the insurance carrier on its active worker's compensation claims" which is equivalent to Applicant's claimed feature (See Hammond, Col.2, lines 52-56; Col.4, lines 3-10). Therefore, Applicant's argument is not persuasive.

(c) In addition, Examiner respectfully suggests that Little discloses "manual decision techniques for performing an in-depth review of payment requests requires trained health care professionals, known as medical analysts, who are familiar with terminology and practices of the medical profession. Often medical analysts have been trained as registered nurses or surgical background. In addition to their medical training, medical analysts may receive up to one year of additional training in how to review payment requests before they are able to analyze payment requests properly" which is equivalent to Applicant's claimed feature (See Little, Col.1, lines 53-67 to Col.2, line 67). Therefore, Applicant's arguments are not persuasive.

7. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the

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shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

#### Conclusion

8. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. The cited but not relied upon art teaches a medical reimbursement system with emphasis on cost effective use of resources (4,667,292), patient-data quality review method that quantifies the extent that a claim correction altered the payment (5,307,262), an article on risk managers that discusses important figures such as average claim cost and allocated loss adjustment expense (LePere "An actuarial viewpoint. (loss comparisons)"), a health plan that analyzed its claims to create a profile of practice patterns, then ranked providers on how closely they followed the best-practices (Haugh, "Extractions: Chop, chop"), the use of data mining to perform claims analysis to encourage providers to achieve best practices (Greene, "Medicine starting to see value in data. (Statistical Data Included)", and an article about a coalition of representatives from HCFA, provider groups and major health plans that developed a list of best practices (Anonymous, "Complying with Medicare's Claims-Processing Requirements").

9. Any response to this action should be mailed to:

Commissioner of Patents and Trademarks

Washington, D.C. 20231

Or faxed to:

(703) 305-7687 [Official communications]

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(703) 746-7238 [After Final communications, labeled "Box AF"]

Hand delivered responses should be brought to Crystal Park 5, 2451

Crystal Drive,

Arlington, VA, 7th floor receptionist.

10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Vanel Frenel whose telephone number is (703) 305-4952

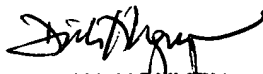
The examiner can normally be reached on M-F 6:30am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on (703) 305-9588. The fax phone numbers for the organization where this -application or proceeding is assigned are (703) 746-7687 for regular communications and (703) 746-7238 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

V.F  
V.F

May 8, 2003

  
DINH X. NGUYEN  
PRIMARY EXAMINER